

**Freedom Pond Cooperative, Inc.**  
**Conflict of Interest Policy**

A conflict of interest is defined as a financial interest or an employment relationship that may, or may appear to, differ from the best interests of the co-op. For the purposes of this policy, a transaction is deemed to present a conflict if it *might* present a financial or other benefit to a member or director or to the person's family, business associate(s) or employer.

This policy statement discourages, but does not prohibit, the existence of conflicts of interest. The policy does, however, require the members or Board of Directors of the co-op to consciously act on any identified conflicts of interest and to determine what is in the best interest of the co-op **without** the interested member or director present. Where conflicts are permitted regarding any business relationship, such relationships shall be at competitive fees.

**Duty to Disclose**

Any possible conflict of interest on the part of any member or director of the co-op shall be disclosed in writing to the membership or Board of Directors, depending on which group is voting on the matter, and established on the record in the meeting minutes.

**Contracts**

Members and directors may receive compensation for their freely executed contracts approved by the board or membership as the case may require, so long as the contract is approved in compliance with this conflict of interest policy.

**Voting Requirements**

If the contract involving a member or director exceeds \$1 but is up to \$5000 in any fiscal year, a vote of the Board of Directors, with the involved member neither taking part in the deliberation nor voting, is required for approval. Any member or director having had a similar conflict of interest in the last 12 months should likewise not participate.

If the transaction is greater than \$5000, a majority vote of the members present at a regularly scheduled or special meeting of the membership where a quorum has been established, is needed to approve the transaction, with the involved member not present and not voting.

Notice of the transaction shall appear as a note in the annual financial statement of the co-op.

**Reimbursed Expenses**

Directors serve without compensation, but are entitled to reasonable compensation for expenses paid while conducting legitimate Cooperative business. Any expenses incurred must have prior approval by the Board of Directors. Receipts must accompany all requests for reimbursement.

This policy was approved and adopted on May 9, 2014.

The foregoing is a true and accurate account, attested by,

  
Robert Banks, Secretary